

Message Text

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PAGE 01 ALGIER 03351 141646Z

63

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 STR-04 CEA-01 AGR-05

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R 141500Z NOV 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 3344

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E.O. 11652: N/A

TAGS: EAGR, AG, US

SUBJECT: ALGERIAN COMPLAINTS RE QUALITY OF US AGRICULTURE PRODUCTS

1. SUMMARY: FONOFF HAS FORMALLY COMPLAINED TO EMBASSY ABOUT QULITY OF US CEREALS MOVING THROUGH LOUSIANA PORT. COMPLAINT COMES AS US FIRMS NEGOTIATING \$350 MILLION PER YEAR LONG-TERM GRAIN AGREEMENT. END SUMMARY.

2. FOLLOWING IS TEXT OF AIDE MEMOIRE GIVEN TO EMBASSY BY FONOFF NOV. 13:

QTEC ALGERIA IS A TRADITIONAL CUSTOMER OF THE UNITED STATES IN THE PURCHASE OF GRAINS AND DRIED VEGETABLES.

THE INTERPROFESSIONAL OFFICE OF CEREALS (OAIC), A PUBLIC ORGANISM WITH A COMMERCIAL CHARACTER, WHICH HAS THE MONOPOLY FOR THE IMPORT AND EXPORT OF GRAINS, IS THE APPOINTED POINT OF CONTACT FOR COMPANIES AND AMERICAN GOVERNMENT BODIES INTERESTED IN THIS SECTOR.

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PAGE 02 ALGIER 03351 141646Z

THE CONTRACTS EXISTING BETWEEN THE TWO COMMERCIAL

PARTNERS DEAL WITH SIGNIFICANT QUANTITIES OF GRAINS (HARD AND SOFT WHEAT) AND DRIED VEGETABLES (LENTILS AND BEANS) THAT THE AMERICAN SIDE AGREED TO DELIVER ACCORDING TO A REGULAR SCHEDULE ADAPTED TO THE NEEDS OF THE IMPORTING COUNTRY.

FURTHERMORE, THE TERMS OF PURCHASE OF AMERICAN PRODUCTS ARE GUARANTEED BY OFFICIAL DOCUMENTS DELIVERED BY THE ADMINISTRATION OF THE SELLING COUNTRY. IN CERTAIN CIRCUMSTANCES HAVING TO DO WITH THE UNITED STATES OF AMERICA, IT IS THE SOUTH LOUISIANA PORT INSPECTION AND WEIGHING BOARD THAT GIVES THESE GUARANTEES.

HOWEVER, OAIC HAS NOTICED SINCE THE THIRD OF NOVEMBER 1974 THAT ON TWO CARGOS OF A HOMOGENEOUS PRODUCT, THERE WAS A MIXTURE OF SOFT WHEAT IN THE HARD WHEAT AND A SUBSTITUTION OF LENTILS FOR BEANS.

ECONOMICALLY, THE CONSEQUENCES OF THESE FAILURES ARE COVERED BY BONDS AND BANK GUARANTEES WHICH PERMIT OAIC TO RECOVER THE DAMAGES, AS THESE ARE DEFINED BY SWORN EXPERTS.

THE MINISTRY OF FOREIGN AFFAIRS, DESIRING TO PRESERVE HARMONY IN THE COOPERATIVE RELATIONS EXISTING BETWEEN ALGERIA AND THE UNITED STATES HOPES TO BE ABLE TO AVOID RECOURSE TO THE PENALTIES AS FORESEEN IN THE CONTRACT, AND EXPRESSES ITS WISH THAT THE DEPARTMENT OF STATE USE ITS INFLUENCE WITH AMERICAN COMPANIES SO THAT THE QUALITY OF THE PRODUCTS DELIVERED TO OAIC MEETS THE SPECIFICATIONS OF THE DOCUMENTS PROVIDED BY THE SOUTH LOUISIANA PORT INSPECTION AND WEIGHING BOARD. UNQTE.

3. COMMENT: IN DELIVERY AIDE MEMOIRE, FONOFF OFFICIAL BOUZAHAI, ECONOMIC AND FINANCIAL AFFAIRS DIVISION, NOTED THAT QUALITY PROBLEM WAS DELICATE ONE. OAIC IS ANXIOUS TO ESTABLISH MORE SOLID RELATIONS WITH AMERICAN GRAIN EXPORTERS AND IS CURRENTLY NEGOTIATING \$350 MILLION LIMITED OFFICIAL USE
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PAGE 03 ALGIER 03351 141646Z

PER YEAR THREE-YEAR CEREAL CONTRACT WITH AMERICAN EXPORTERS, (SEPTTEL TO FOLLOW). AT SAME TIME OAIC ANXIOUS TO BE SURE THAT QUALITY OF CEREALS IT IMPORTS WILL BE UP TO SPECIFICATIONS. ABOVE AIDE MEMOIRE THUS REPRESENTS MODERATE EXPRESSION OF ALGERIAN CONCERNS IN MANNER DESIGNED NOT TO UPSET DEVELOPING RELATIONSHIP THAT IS OBVIOUSLY OF SIGNIFICANT VALUE TO ALGERIA. IF OTHER SHIPMENTS OF US CEREALS, CLEARED BY SOUTH LOUISIANA BOARD SHOULD PROVE TO BE BELOW STANDARD, HOWEVER, ALGERIANS VERY LIKELY TO TAKE STRONGER ACTION SUCH AS SUSPENDING RECEIPT OF SHIPMENTS

CLEARED BY BOARD.PARKER

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